



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 30, 2002

H.R. 2666

Vocational and Technical Entrepreneurship Development Act of 2001

*As ordered reported by the Senate Committee on Small Business and Entrepreneurship
on July 24, 2002*

SUMMARY

H.R. 2666 would require the Small Business Administration (SBA) to issue grants to small business development centers (SBDCs) so that they can help schools design curricula for teaching vocational and technical entrepreneurship. SBDCs are jointly funded by the private sector, schools, and federal, state, and local governments to provide management assistance to current and prospective small business owners.

H.R. 2666 would authorize the appropriation of \$7 million a year through 2004 to fund the new program. CBO estimates that implementing the act would cost \$14 million over the 2003-2007 period, assuming the appropriation of the authorized amounts. The act would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 2666 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would benefit state, local, or tribal governments receiving grants under this bill, and any costs they incur would be voluntary.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2666 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit). For this estimate, CBO assumes that the authorized amounts will be appropriated each year beginning in 2003, and that outlays will follow historical spending patterns for similar SBA programs.

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	7	7	0	0	0
Estimated Outlays	5	7	2	0	0

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2666 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit state, local, or tribal governments receiving grants under this bill, and any costs they incur would be voluntary.

PREVIOUS CBO ESTIMATE

On August 15, 2001, CBO transmitted a cost estimate for H.R. 2666 as ordered reported by the House Committee on Small Business on August 1, 2001. The two versions of the legislation are very similar. CBO estimated that the prior version of H.R. 2666 would cost about \$20 million over the 2002-2006 period, subject to the availability of appropriated funds. The higher estimated costs for the House version reflect CBO's assumption that funds would be appropriated for the program for three years (beginning in 2002), rather than our current assumption of two years (beginning in 2003).

ESTIMATE PREPARED BY:

Federal Cost: Ken Johnson

Impact on State, Local, and Tribal Governments: Greg Waring

Impact on the Private Sector: Cecil McPherson

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis